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UNCLAS HANOI 001928

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TREASURY FOR OASIA

E.O. 12958: N/A
TAGS: ETRD PREL VM WTRO WTO
SUBJECT: DPM KHOAN STILL HOPES FOR DECEMBER ACCESSION

REF: A) HANOI 1888 B) HANOI 1863 C) STATE 133130

¶1. (U) Summary: On July 27, Deputy Prime Minister Vu Khoan spoke at an AmCham lunch attended by the Ambassador and over 100 members of Hanoi's diplomatic, business and press communities. After lauding the great progress in U.S.-Vietnam relations as a result of the Prime Minister's trip to the United States, and cooperation with the Embassy and AmCham, the DPM emphasized Vietnam's goal to accede to the WTO by the end of the year. He answered questions about difficulties of doing business in Vietnam. End Summary.

¶2. (U) Deputy Prime Minister Vu Khoan addressed over 100 members of the diplomatic, business and press communities at an American Chamber of Commerce lunch on July 27 in Hanoi. The Ambassador also attended. Accompanying the DPM were Assistant Minister of Foreign Affairs for the Americas Nguyen Duc Hung, Vice Minister of Trade Luong Van Tu and Vice Minister of Planning and Investment Nguyen Bich Dat.

¶3. (U) The Deputy Prime Minister began by stating that in his personal view, Prime Minister Khai's recent trip to the U.S. led to several important results. The visit led to a high level consensus on bilateral U.S.-Vietnam relations and provided an opportunity to introduce Vietnam to U.S. business, media and NGOs. The visit also allowed substantial progress in negotiations with USTR on the WTO accession, which the joint statement between President Bush and Prime Minister Khai underscored. The DPM thanked the AmCham and U.S. business for supporting the trip and the bilateral relationship.

¶4. (U) Regarding next steps, Khoan stressed the need to maintain momentum in the process for Vietnam's WTO accession. He reiterated that the Hong Kong Ministerial remains the "best chance" for Vietnam to join the WTO, and pointed out that the benefits of accession would be shared by world business, including U.S. business. He said he would continue to work with Ambassador Marine to implement all areas of agreement between the President and Prime Minister, including WTO negotiations.

¶5. (U) During the question and answer period, a U.S. agricultural exporter working in the provinces said that increased red tape at the provincial level, as well as an apparent disregard for central government laws (especially taxes and customs) among local officials was causing him difficulties. DPM Khoan responded that local officials must be accountable to the people, and that the role of elected bodies and the press must be strengthened. He added that addressing this problem is a government priority. The DPM said that the regulation limiting the number of foreign employees in a Vietnamese company to three percent needs to "be revisited."

¶6. (SBU) Comment: Despite the Ambassador's discussion with the DPM earlier this week regarding likely WTO accession date in 2006, DPM Khoan did not abandon the Government's long-held December accession target, at least not publicly. At the same time, Khoan continues to be very laudatory of our cooperation across a broad spectrum of issues and upbeat regarding future prospects.

MARINE